

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2019 - HB 2094

March 7, 2022

SUMMARY OF BILL AS AMENDED (014298): Revises eligibility and rules of certain scholarships programs administered by the Tennessee Student Assistance Corporation (TSAC).

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures - \$11,100/FY22-23/TN Promise Special Reserve
Exceeds \$11,100/FY23-24 and Subsequent Years/
TN Promise Special Reserve

Decrease State Expenditures –
\$5,900/FY22-23/Lottery for Education Account
Exceeds \$5,900/FY22-23/Lottery for Education

\$10,500/FY22-23/General Fund
Exceeds \$10,500/FY23-24 and Subsequent Years/
General Fund

Assumptions relative to General Fund Expenditures:

- This legislation limits certain scholarship programs to only eligible programs of study rather than any program of study resulting in a decrease to state expenditures from the General Fund.
- Based on information provided by TSAC, the following lists the estimated average savings per student, per program related to the General Fund:
 - Academic Scholars Program/Ned McWherter
 - 24 students impacted
 - \$294 per student
 - \$7,056 (24 students x \$294 avg.)
 - Dependent Children Scholarship
 - 4 students impacted
 - \$334 per student
 - \$1,336 (4 students x \$334 avg.)
 - Minority Teaching Fellows Program
 - 5 students impacted
 - \$415 per student
 - \$2,075 (5 students x \$415 avg.)

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- The total decrease to state expenditures from the General Fund is estimated to be \$10,467 (\$7,056 + \$1,336 + \$2,075) in FY22-23 and estimated to exceed \$10,467 in FY23-24 and subsequent years.

Assumptions relative to Lottery for Education Account:

- The following lists the estimated average saving per student, per program related to the Lottery for Education Account due to limiting the scholarship program:
 - HOPE Foster Child Tuition Grant
 - 10 students impacted
 - \$583 per student
 - \$5,830 (10 students x \$583 avg.) total savings
 - Helping Heroes Grant
 - 28 students impacted
 - \$148 per student
 - \$4,144 (28 students x \$148 avg.) total savings
- The decrease to state expenditures from the Lottery for Education Account is estimated to be \$9,974 (\$4,144 + \$5,830).
- Increases eligibility of the TN HOPE scholarship program by changing the definition of academic year resulting in:
 - 8 additional students at an average of \$500 per student.
 - An increase to state expenditures of \$4,000 (\$500 avg. x 8 students)
- The total decrease to state expenditures from the Lottery for Education Account is estimated to be \$5,947 (\$4,000 increase - \$9,974 decrease) in FY22-23 and estimated to exceed \$5,947 in FY23-24 and subsequent years.

Assumptions relative to TN Promise

- Increases eligibility of the TN Promise scholarship program by including a high school located in a county bordering this state, resulting in:
 - 10 additional students at an average of \$1,114 per student.
 - An increase to state expenditures of \$11,140 (\$1,114 avg. x 10 students)
- An increase in state expenditures from the Tennessee Promise Special Reserve Account of \$11,140 in FY22-23 and exceeding \$11,140 in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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